

VZCZCXRO2207
RR RUEHCN RUEHGH
DE RUEHGH #0475/01 3440804
ZNR UUUUU ZZH
R 100804Z DEC 09
FM AMCONSUL SHANGHAI
TO RUEHC/SECSTATE WASHDC 8407
INFO RUEHBJ/AMEMBASSY BEIJING 3185
RUEHIN/AIT TAIPEI 2084
RUEHHK/AMCONSUL HONG KONG 2462
RUEHSH/AMCONSUL SHENYANG 2285
RUEHGZ/AMCONSUL GUANGZHOU 0751
RUEHCN/AMCONSUL CHENGDU 2294
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEHAAA/NSC WASHINGTON DC
RUEHGV/USMISSION GENEVA 0095
RUEHKO/AMEMBASSY TOKYO 0822
RUEHUL/AMEMBASSY SEOUL 0611
RUEHNE/AMEMBASSY NEW DELHI 0073
RUEHGP/AMEMBASSY SINGAPORE 0297
RHHMUNA/USPACOM HONOLULU HI
RUEHGH/AMCONSUL SHANGHAI 9070

UNCLAS SECTION 01 OF 03 SHANGHAI 000475

SENSITIVE
SIPDIS

(U) SENSITIVE BUT UNCLASSIFIED. NOT FOR DISSEMINATION OUTSIDE
USG CHANNELS; NOT FOR INTERNET DISTRIBUTION.

E.O. 12958: N/A

TAGS: [PREL](#) [ECON](#) [ETRD](#) [EINV](#) [PGOV](#) [PHUM](#) [CH](#)

SUBJECT: POSITIVE VIBES FROM PRESIDENT'S VISIT; SHANGHAI SCHOLARS
OUTLINE CHALLENGES

SUMMARY

11. (SBU) Shanghai-based scholars generally expressed positive views on President Obama's November visit to China during a panel discussion on December 7 but noted areas of friction and disagreement that remain unresolved. They appeared optimistic that U.S.-China relations are headed in the right direction with opportunities to resolve common challenges. Several scholars stressed, however, that there remain fundamental differences in the relationship, including views on Taiwan and human rights. End summary.

PANEL DISCUSSION IN SHANGHAI

12. (SBU) The Shanghai Association of American Studies (SAAS) hosted a panel discussion on "Obama's State Visit to China and Promise of U.S.-China Relations" December 7. SAAS President Ding Xinghao, a veteran "U.S. watcher" of 30-plus years, moderated the panel, which featured Fudan University Center for American Studies (CAS) Director Shen Dingli, Fudan CAS Deputy Director Wu Xinbo, Shanghai Academy of Social Sciences (SASS) Vice Director Huang Renwei, Fudan professor Pan Rui, and University of Wisconsin professor Wang Jianwei, as well as the Consul General. More than 100 scholars and graduate students attended along with business and media representatives and officials. Consulate-produced pamphlets on the President's November 16 town hall meeting in Shanghai were eagerly received by attendees.

13. (SBU) Panelists expressed largely positive views on President Obama's November 15-18 visit to China. Fudan's Wu Xinbo highlighted President Obama's "cooperative and collaborative approach" during the visit, and SASS's Huang Renwei pointed to the administration's constructive regional security efforts in Asia as demonstrated by the President's stops in Japan, South Korea, and Singapore. Wang Jianwei characterized President Obama's visit to China as "an important visit for the strategic relationship." Chris Qian, a PhD student at Fudan University, told PolOff after the discussion that his classmates all were impressed by the cooperative tone of the President's first visit to China, including his November 16 events in Shanghai.

ADDRESSING COMMON CHALLENGES...

14. (SBU) Presentations recognized the substantial broadening of the U.S.-China relationship from one focused on bilateral issues to one increasingly dominated by regional and global concerns. Fudan's Wu Xinbo said the President's visit to China demonstrated "new thinking" on many elements of the

SHANGHAI 00000475 002 OF 003

relationship. President Obama is "more open-minded on China's rise," Wu stated, adding that the recent G-20 and APEC meetings (in Pittsburgh and Singapore, respectively) indicated "the United States is now more interested in partnership with China." He also noted China's welcoming of the United States as an "Asia-Pacific nation" in the U.S.-China Joint Statement as an indicator of a shift in thinking on the Chinese side toward greater support of U.S. engagement in the region. Huang Renwei from SASS added that the visit's theme of "addressing common challenges" such as Afghanistan, Pakistan, North Korea, Iran, or Iraq further underscored a sense of the United States desiring partnership with China.

15. (SBU) On the eve of the Copenhagen talks, several panelists acknowledged the importance of climate change as a new challenge, but offered no details on possible U.S.-China environmental cooperation. Pan Rui, Huang Renwei, and Wu Xinbo glossed over the issue, discussing climate change only in the context of economic challenges. (Note: International affairs and regional security scholars previously have told CongenOffs they lack sufficient background to knowledgably discuss climate change, and they are concerned there are too few experts in Shanghai who understand the international political dimensions of climate change. End note.)

...AND CONFRONTING OLD ONES...

16. (SBU) The professors said they anticipate a continuing struggle to resolve "old issues," particularly in the economic relationship. Pan Rui predicted that 2010 would be a difficult year, with growing friction over trade disputes and renminbi (RMB) valuation. Pan said the rising unemployment rate in the United States and the mid-term Congressional elections would combine to turn the U.S.-China economic relationship into a

domestic political problem for elected officials in the United States. He pointed out that the reemergence of the Schumer-Graham Bill on China's exchange rate illustrated the current level of discontent in the United States with U.S.-China economic ties. It would require strong bilateral cooperation to move forward with Bilateral Investment Treaty (BIT) negotiations and other U.S.-China economic initiatives in the context of greater political scrutiny, Pan said.

17. (SBU) Scholars also pointed out continuing regional security concerns that need to be resolved. Huang Renwei and Fudan CAS Director Shen Dingli both highlighted the North Korea nuclear problem as an issue requiring renewed attention. Shen and Wang Jianwei both noted that the close timing of President Obama's visit to China and his hosting of Indian Prime Minister Manmohan Singh in Washington served to highlight China's rivalry with India in Asia. Wang contrasted the characterization of U.S.-India relations as a "global strategic partnership" in the U.S.-India Joint Statement with the U.S.-China Joint Statement focus on specific areas of mutual interest, asking rhetorically, "What happens to the relationship when those problems disappear?" Huang added that the United States would need to reconcile its longstanding treaty alliance with Japan and its "new relationship" with China.

...BUT SOME SEEMINGLY IMMOVABLE OBSTACLES REMAIN

SHANGHAI 00000475 003 OF 003

18. (SBU) There remain fundamental differences in the relationship -- including views on Taiwan and human rights -- despite forward progress in other areas, the scholars said. Shen Dingli offered a lengthy discourse on Taiwan, reiterating Chinese concerns about U.S. arms sales and other issues. Noting AIT Chairman Raymond Burghardt's November 24 comments in Taipei that language in the U.S.-China Joint Statement does not represent any change in the U.S. position concerning sovereignty over Taiwan, Shen observed the United States still has yet to accept Beijing's claim to sovereignty over Taiwan. Shen and Huang Renwei added that human rights remain a difficult issue and were pessimistic about the future of the U.S.-China human rights dialogue. However, Huang observed an increased U.S. willingness to engage with countries with a poor human rights record, such as Burma and North Korea.

COMMENT: LEFT UNSAID

19. (SBU) Notably lacking in the Chinese scholars' various views were insights on the impact of Chinese domestic politics -- including the goals and interests of the Communist Party and its leaders -- on President Obama's visit specifically or the U.S.-China relationship writ large. As a result, the discussion largely painted the United States as the main actor, with China forced to respond to U.S. interests and initiatives.

CAMPBA